

January 7, 2016

Members of Water Works

Re: Letter of Clarification

Dear Members of Water Works:

This law firm represents Water Works Condominium Association ("Association"). Over the last several months several members have expressed some confusion on their rights and obligations. This letter is meant to clarify any questions or concerns you may have about what the Association's governing documents and Arizona law say about maintenance, insurance and assessments. Please see the Maintenance Chart on the next page for a summary of who maintains, who pays and who insures various areas within the Association.

We first turn to the Declaration of Covenants, Conditions and Restrictions (Declaration). This is because the Declaration is a contract and the provisions therein must be enforced as written. *Powell v. Washburn*. The maintenance and repair obligations of the Common Elements and Units are spelled out in Section 12 of the Declaration. It provides that an Owner is responsible for all maintenance, repairs, and replacements in his Unit. This means that any leaks originating in the Unit will need to be repaired and replaced by the Owner. Section 12 also requires that Owners maintain porches and storage areas in a neat, clean and attractive condition. If any leaks are a result of the Owners failure to maintain these areas, the Owner will be responsible for the repairs.

Section 12 goes on to say that the Association maintains the Common Elements. The Common Elements include the buildings, roofs, pipes in common walls, parking areas, pools and boilers. While the Association maintains all of these areas, the costs incurred may be passed back to the Owners benefitted. This is because A.R.S. §33-1255 requires that common expenses must be charged to Owners when the repairs only benefit them.

The Declaration also addresses insurance coverage requirements. In summary, the Association elected a "full coverage" policy which covers units and the common elements. Importantly, it does not cover personal items in the Units. It is important to keep in mind that when insurance money is used to fix

something, the deductible will be assessed to whoever benefitted from the repair.

Very truly yours,

GOODMAN LAW OFFICES, P.C.

Clint G. Goodman

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MAINTENANCE CHECKLIST

Item	Who Maintains	Who Pays
Unit	Unit Owner	Unit Owner
Porches*	Unit Owner	Unit Owner
Storage Rooms*	Unit Owner	Unit Owner
A/C and Heating Units	Unit Owner	Unit Owner
Planters	Unit Owner	Unit Owner
Roofs	Association	Unit Owner(s) Benefited
Parking Areas+	Association	Association
Pools	Association	Association
Boiler	Association	Unit Owner(s) Benefited
Plumbing	Association	Unit Owner(s) Benefited

- * The Unit Owner must keep these areas in a "neat, clean and attractive" condition. The Association is responsible for any structural repairs to these areas and the costs of repair are passed back to the Unit Owner(s) benefited.
- + Maintenance costs to parking areas are generally paid by the Association but the cost may be passed back to Unit Owners if the maintenance only benefits those individuals.

INSURANCE COVERAGE

Item	Who Insures†
Unit‡	Association
Porches	Association
Storage Rooms	Association
A/C and Heating Units	Association
Planters	Association
Roofs	Association
Parking Areas	Association
Pools	Association
Boiler	Association
Plumbing	Association

- † It is important to note that even though the Association has a "full coverage" policy, Unit Owners may be required to pay any deductible for repairs to their Unit or Common Elements. Unit Owners are strongly encouraged to maintain their own insurance policy covering personal items, furnishing, etc.
- ‡ The Association's policy covers the Unit but does not cover personal items, such as furniture, cabinets, personal effects and the like.

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